Chapter 6 : Conclusions and Recommendations

6.1 Global Scenario of Private Label Sales in Apparel Category

The numbers of private label brands in apparels are increasing throughout the world. The present depressed global economic conditions are further fuelling the growth of the private labels across all categories around the world. Collectively, private labels in the United States and most of the European countries command superior unit shares than the most successful national brands. As can be seen in the following table, the major global retailers have invested heavily in improving the share of private labels in their apparel business.

Table VI-1: Major Global Retailers

<table>
<thead>
<tr>
<th>Retailers</th>
<th>Apparel Private Labels as % of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-Mart</td>
<td>70-80</td>
</tr>
<tr>
<td>Target</td>
<td>60-70</td>
</tr>
<tr>
<td>JC Penney</td>
<td>50</td>
</tr>
<tr>
<td>Sears</td>
<td>40 – 50</td>
</tr>
<tr>
<td>Kohl’s</td>
<td>7</td>
</tr>
<tr>
<td>TJX Company</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Just Style/ Technopak (Arvind Singhal)

The retailers are going all out to deliver quality through their private labels which is superior to that of national brands. The product is generally in-expensive and low risk purchase for the consumers. Private labels are becoming easy alternatives in comparison to national brands. The pricing gap between national brands and private labels is wide which helps consumers to take quick purchasing decisions and switch brand. Private labels require heavy promotional spending than the national brands to increase awareness and sales volumes. The retailers are investing in high quality private label development because they can foresee the growth and profitability of the private labels. Consumer buying trends are also changing they are shifting from brand loyalty to value loyalty due to the global slowdown of the economy. Consumers are choosing private label apparel products which look similar to their favourite brand. Sales of value retailing are continuously increasing. Private labels offer fashions at lower price than national brands. Private labels have been able to bring latest style, cut, and design and freshness aspect in the mind of consumers. 63% consumers consider the quality of private label brand as high
as National Brands. 33 % say they were even better quality (AC Nielsen Global survey 2008).

6.2 Indian Scenario for Private Labels in Apparels Category

Organized retail in India started getting traction around 1994-95 when major departmental store chains like Pantaloons and Shoppers Stop came into existence. As the organized retail industry grew, it was the apparel category which always led from the front and is contributing about 35-36% to the overall modern retail business (India Retail Report, 2013). New department stores joined the retail bandwagon in early 2000 and names like Lifestyle, Globus, Westside, Reliance Trends etc. became very popular, particularly in metro markets. Retailers tactically used National Brands to build customers’ traffic to retail chains and diverted them towards private labels. Leading retailers are developing their own labels. They are able to capitalize their brand value which they have created through unique service and enhanced consumer care. Most retailers are aiming for more than 50% revenue from their own labels. Pantaloon, the Future Group's apparel store, has a private label ratio of more than 75%, while the ratio is even higher for Trent's Westside stores. Other players are also catching up with these ongoing trends. The under-mentioned figure highlights the level of private label apparels concentration among leading apparel retailers in India.

Figure VI-1: Private Label Apparels Concentration

(http://tejas-iimb.org/articles/98.php)
In this modern era, the retail chains are playing a significant role in fulfilling the needs of the customers under one roof. In this study it was found that the department store service providers are offering good services. The study points to stiff competition among various players in department store with challenging and competitive spirit.

As we know, the government is positive about opening the economy for foreign investors in retail sector which will consequently propel growth in organized retail sector. This development is result in private labels rapid growth.

Private labels in India across all product categories are bound to grow. Presently private labels are growing very fast in apparel segment. The recommendation for policy makers is to create the right environment for the entry of MNC retailers in India by removing the policy bottlenecks and clearing the confusions on terms of engagement. This will bring in much needed investment in India and also give impetus to growth of value-based products like private labels for the benefit of consumers.

6.3 Share of Private Labels versus National Brands

From the secondary research, it was found that private labels are getting the desired attention from the leading retail chains (IRIS Research Services). Private labels amount to about 21 percent of total sales in the Indian apparel sector (http://tejas.iimb.ac.in/articles/98.php).

Figure VI-2: Market Share of Private labels and National Brands Apparel Category

The primary research in the study also reinforced these findings that, even with so much euphoria about private labels, the share of national brands in customers’ spend on
apparels is significantly higher than private labels. This can be seen from the findings of the study as given below:

More than 65% of the respondents in NCR bought above 50% of national brands in total purchase of men’s apparels. Hence, **Ha1: “There is a significant difference between the market share of national brands and private labels in men’s apparel category” created for this study is accepted.**

Modern retail is relatively a new phenomenon in India with hardly 20 years of momentum. There are only a handful of departmental store chains and overall modern retail is about 8% in the total retail sales in India. National brands, on the other hand, are well-entrenched and command a larger loyal customer base. It will take some more time before the modern retail gets more penetrated into the Indian markets when private labels may be able to displace national brands. But one thing is clear that the trend is favouring the growth of private labels.

**6.4 Awareness of Private labels**

As can be seen from the below given graph, close to 85.9% of respondents were aware what private labels are. This is a significant finding which shows the level of exposure to modern retail, which people in Delhi and NCR are having. **Therefore, Ha2: “There is a significant difference between the awareness of national brands and private labels in men’s apparel category is rejected” based on primary research and descriptive analysis.** A significantly high number of respondents know what private labels are.
When this result is seen in conjunction with the data shown in section 5.2.1, it can be concluded that there is a significant drop from awareness to interest in the typical AIDA sequence for private labels.

The apparel retailers would do well to generate positive attitude towards their private labels rather than simple awareness generation activities. Through proper brand communication and sales incentives, the customers can be motivated to go towards the later stages of AIDA.

6.5 Understanding Consumer Preference Behaviour in Men’s Apparel Category

Basing our study on the Howard-Sheth Model, various dimensions of consumer buying behaviour were captured and analyzed. Apart from the specific product attributes like quality, price, distinctiveness, service etc., the impact of exogenous variables like occasion, role of influencers, popularity of the store etc., were also considered in the study.

6.5.1 Occasion of Purchase of Men’s Apparels

Figure VI-5: Occasion of Purchase
Around 67% of the respondents buy men’s apparel when there are discounts and offers. This demonstrates the value-maximizing nature of customers in India while another 31.9% respondents named festivals as the preferred occasions. Both these aspects should be clubbed by the apparel retailers in the form of festival promotions like ‘Diwali offers’ etc., to carry the customers from first A for awareness in AIDA towards the last A for action.

6.5.2 Preference of Category in Men’s Apparels

Significantly larger number of respondents preferred either formal as the main category or casual men’s apparel as the next preferred category. Low preference for sports and hardly any preference for ethnic wear in this segment was identified. The formal and casual, together, seem to reveal the maximum opportunity for selling men’s apparels. This will apply in merchandize selection decision for apparel retailers for national brands as well as private labels.
6.5.3 Main Sources of Information for Men’s Apparel Category

Friends / relatives came out to be the biggest source of information about men’s apparel (47.2%) followed by internet (45.2%). Newspapers had 37.7% response and television had 21.2%. Magazines had 14.1% response. That indicates the role of word of mouth has the biggest impact on men’s apparel choice and the power which internet is exercising on the sources for information.

Retailers selling men’s apparels should use search engine optimization and social media marketing for getting more eyeballs of customers. They also need to monitor the discussion on social media to understand what is the general attitude of the customers towards their offerings. Newspapers are also an important source of communication for this category. If we link the result of this analysis with the high preference of formal wear (shown in section 5.3.2), it can be suggested that apparel retailers should use the columns of business newspapers like The Economic Times, Mint etc. to advertise their formal wear for best results.

6.6 Preference of Stores for Men’s Apparels

The study focussed on 4 major chains of modern retailers, which were identified from secondary data as the main contributors to men’s apparel sales in NCR. The result of their preference check is given below.
Shoppers’ Stop with 46.4% responses came out to be the no. 1 choice of customers for men’s apparels followed by Lifestyle with 37.5%. Pantaloons had 34.3% responses and Westside had 21.2%. This demonstrates the relative positions of the four major competitor chains in this category. Competing apparel retailers can benchmark their retail strategy dimensions against the one practiced by Shoppers’ Stop and see the opportunities for improvement.

### 6.6.1 Store Choice Criteria

The respondents gave their views on attributes that impact their choice of apparel selling store. The attributes, which came out to be significantly high on importance for store image are convenient location, latest selection, high quality of products, value for money and good customer service. The attribute of friendly sales persons and atmospherics has secondary importance while attractive display emerged as significantly less important in building the store image. The last one is a surprising conclusion, because retailers attach so much importance and invest very heavily in displays and visual merchandizing.

It may be concluded that the customers in Delhi – NCR are more concerned about aspects which benefit them directly like price, service, variety etc. They are not motivated by attractive displays so much because such displays are only for aesthetic appeals. The recommendation may be given to apparel retailers to bring more transactional value in their business models by investing in merchandize planning and proper buying rather than spending their resources in displays.
6.6.2 Store Choice for Private Labels

As given below, it was found that Shoppers’ Stop with 39.7% and Pantaloons with 35.3% responses came out to be the top 2 store choices whose private labels are preferred by the customers. Lifestyle had 30.4% and Westside had 20.8% preference share.

Figure VI-9: Store Choice for Private labels

Shoppers’ Stop was one of the earliest department store chains who invested and developed their private labels effectively. They have certain private labels like – Stop, Life and Kashish which attract lots of customers.

6.7 Association between Store Popularity and Preference for its Private Labels

Cross-tabulations were done for the data presented in section 5.3.4 and 5.4 for each store separately. In the case of all the four stores in consideration, chi-square is coming out to be significant indicating a strong association between store choice and store choice for private labels. Thus, Ha4: “There is a strong association in the preference of retail store and the preference of private labels in men’s apparel category” formulated for this study stands accepted. Hypothesis accepted shows strong association between store choice and preference for private labels.

The recommendation is that the retail stores should strive to build their store brand and pull the customers in because then the customers are likely to buy private labels.
6.7.1 Consumer Buying Behaviour in Private Labels and National Brands

To analyze the consumer’s preferential behaviour and satisfaction derived thereof from private labels and national brands, various decision criteria were checked in the survey. These criteria were analyzed for individual category as well as comparatively.

6.7.2 Preference of Private Labels vs. National Brands

From basic chi-square test, it was found that there was a significantly larger preference for national brands, which was expressed by the respondents. This finding supports the conclusion reported in section 5.2.1

6.7.3 Association between Awareness and Preference of Private Labels

Through cross-tabulations, it was established that there is significant association between knowledge and preference of private labels. However, it is interesting to note that there is negative correlation between knowledge and preference of private labels. In other words, even though most of the respondents were aware about private labels, they showed a significant preference for national brands in men’s apparel categories.

When seen in combination with the conclusions of section 5.2.1 and 5.2.2, the recommendation can be given that the private labels have moved beyond the Awareness stage of AIDA but the stores need to do more communication in building interest and desire towards their private labels in the minds of customers.

6.7.4 Impact of influencers in Private Labels

It can be concluded from the study that brand itself followed by family and friends were the major influencers in the choice of private labels. Brand image had 52.9% and friends / family members had about 17% responses each for this question.

Figure VI-10: Degree of Influencer for Private Labels
6.7.5 Impact of influencers in National Brands

Similar results to that reported in section 5.5.3 can be seen in this case also where it can be concluded that brand itself followed by family and friends were the major influencers in the choice of national brands.

Thus, \textbf{Ha3: “There is a significant difference in sources of influence on consumer behaviour while choosing between national brands and private labels in men’s apparel category”} is accepted in only 2 cases where influencers which demonstrate a significant difference in their roles – brand itself and product reviews. For rest of the influencers, this hypothesis is rejected. The data was subjected to the non-parametric Wilcoxon Signed Ranks Test to understand whether different influencers have more significant role in the choice of private labels and national brands.
6.8 Comparison between impacts of Influencers in Private Labels vs. National Brands

The data in sections 5.5.3 and 5.5.4 was compared through Wilcoxon signed ranks test. The two variables which demonstrate a significant difference in the role of influencers are – brand itself and product reviews. In both of these cases, the role of brand itself and the product review, is significantly larger in influencing people to buy the national brands.

It may be recommended that the men’s apparel stores should invest their energies and resources in more brand communication and strong Public Relations about their private labels to be successful.

6.8.1 Reasons for preferring Private Labels

The study succeeded in identifying six attributes, which came out to be very high in importance for inducing preference for private labels – quality, price, variety, brand image, service and durability. Two other attributes also had a secondary importance viz. Store image and distinctiveness. Four attributes, which were significantly less important, according to this study are – packaging, convenience, promotion and social recognition.

Quite clearly the attributes, which directly impact the value-proposition of the private labels, are high on impact. The stores selling private labels in men’s apparel category should strive to incorporate all of these aspects in their private labels and then invest on building the private label brand on these positioning attributes.

6.8.2 Reasons for preferring National Brands

The study identified six attributes, which came out to be very high in importance for inducing preference for national brands – quality, price, variety, brand image, service and durability. Three other attributes also had a secondary importance viz. Store image, social recognition and distinctiveness. Three attributes, which were significantly less important, according to this study are – packaging, convenience, and promotion.
6.8.3 Comparative analysis for reasons for preference

The data reported in sections 5.5.6 and 5.5.7 was subjected to comparative testing through paired samples t-test. The study concluded that there is significant difference in seven attributes in influencing the preference towards private labels and national brands viz. quality, price, packaging, brand image, durability, social recognition and distinctiveness. Out of these seven, only one attribute - price is coming out to be significantly more important for preference of private labels while rest six attributes are coming out to be significantly more important for national brands. Variety and service are equally ‘very important’ in both the categories, store image is equally ‘important’ while convenience and promotion are equally ‘not important’ for both the categories.

The implications are that the private labels have not been able to match up to the benchmarks set by national brands in various aspects and except prices they seem to lag behind in all quality perceptions. Until the stores selling private brands are able to rectify this perception, customers are unlikely to switch from national brands in a major way.

6.8.4 Creating a prediction model for Preference of Private Labels and National Brands

With the use of Factor Analysis and Discriminant Analysis techniques, a predictive model was established as follows:

Discriminant Function Z = -0.020F1 -.489F2 +.393F3 +.149F4 +.484F5 -.062F6 +.092F7 +.565F8 +.281F9


Any customer’s perceptions can be measured on the 9 independent variables on a 1 to 5 scale and input in the Discriminant Function equation. If the Z score comes less than -0.059, the customer is likely to prefer private labels while for Z score higher than -0.059, the customer is likely to prefer national brands.

6.8.5 Understanding Customer Satisfaction in Men’s Apparel Category

Based on Howard-Sheth model, the study moved from search and preference (elements of perceptual construct) to intention and satisfaction (elements of learning construct).
6.8.6 Attributes Affecting Satisfaction in Private Labels
The results were drawn that the respondents are highly satisfied with quality and value for money for private labels while they are significantly less satisfied with product performance, product attributes and service. This throws light on the areas of improvement which should be looked at by the retailers selling private labels.

6.8.7 Attributes Affecting Satisfaction in National Brands
The study identified that the respondents are highly satisfied with quality, value for money, product performance and product attributes for national brands but they are significantly less satisfied with service. The service dimension is an important opportunity for the private labels to exploit.

6.9 Comparison of Attributes Affecting Satisfaction in Private Labels and National Brands
Out of the five attributes mentioned in section 5.6.1 and 5.6.2, there is a significant difference between private labels and national brands in four viz. quality, product performance, product attributes and service. In all of them, their role in satisfaction generation is higher in national brands. There is no difference in value for money attribute and it is equally important for generating satisfaction in both private labels and national brands. Thus, Ha5: “There is a significant difference between consumer satisfaction attached to private labels and national brands” created for this study is accepted. The results indicate that there is significant difference between attributes in influencing the preference towards private labels and national brands. There is an image problem with the private labels and the retailers need to improve the product quality as well as communicate the same to the market.

6.9.1 Understanding Customer Loyalty in Men’s Apparels
The major outputs of Howard-Sheth model are purchase, intentions followed by repeat purchase. This cycle has been considered as the process which demonstrates customer loyalty to a large extent. The various attributes impacting customer’s loyalty in men’s apparels were studied and analyzed.
6.9.2 Loyalty Determining Behaviour in Private Labels

Out of the questions asked, two questions about ‘likely to compare prices before purchase’ and ‘likely to switch in case of better offer by others’ have elicited the answers towards definitely. The other 2 questions about ‘likely to recommend private labels’ and ‘likely to repurchase even when competitor is 10% less priced’ have received the responses towards probably not. The only probably situation is likelihood of repurchase.

Quite clearly, private labels are generating repurchases only on the basis of prices and the retailers need to do a lot more to build up any kind of loyalty in private labels.

6.9.3 Loyalty Determining Behaviour in National Brands

Out of the questions asked, two questions about ‘likely to repurchase’ and ‘likely to recommend’ have elicited the answers towards definitely. The third question about ‘likely to repurchase even when competitor is 10% less priced’ have received the responses towards probably not. The two questions, where the answers came out as ‘probably’, are ‘likely to compare price before purchase’ and ‘likely to switch in case of better offer by others’. Quite clearly, national brands have much stronger loyalty behaviour in the customers.

6.9.4 Comparison of Loyalty Determining Behaviour in Private Labels and National Brands

The questions, mentioned in section 5.7.1 and 5.7.2, were subjected to comparative analysis. For ‘likely to purchase’ and ‘likely to recommend’ the national brands are significantly stronger than private labels while the ‘probability of switching in case of better offer by competitors’ and ‘likelihood of comparing prices before purchase’ is significantly stronger for private labels. Thus, Ha6: “The customers show significant difference in loyalty towards national brands or private labels in men’s apparel category” developed for this study is accepted. Likely to purchase and likely to recommend the national brands are significantly stronger than private labels while the probability of switching in case of better offer by competitors and likelihood of comparing prices before purchase is significantly stronger for private labels.

This again proves that the loyalty for national brands rests on stronger grounds while private labels are being purchased only for their low price attractions and are more prone
to deal based switching behaviour. Only in the case of likelihood of repurchase even if competitor is 10% less priced, both the categories get same responses.

6.10 Impact of externalities like the demographic variables on consumer’s attitude towards PLs and NBs men's apparel brand.

One of the objectives of this study was to measure the impact of externalities along with the demographic variables on consumer’s attitude towards private labels and national brands in men’s apparels. The demographic data captured from the sample respondents was analyzed along with the category choice and preference attributes in a series of cross-tabulations and other techniques to find associations between them.

6.10.1 Gender and Preference

The study concluded that there is no association between gender of the customer and preference of either category of men’s apparels.

6.10.2 Age and Preference

The study found that there is no association between age of the customer and preference of any category of men’s apparels.

6.10.3 Education and Preference

It was found that there is no association between education of the customer and preference of any category of men’s apparels.

6.10.4 Occupation and Preference

Similarly, it was found that there is no association between occupation of the customer and preference of any category of men’s apparels.

6.10.5 Income and Preference

There is no association between income level of the customer and preference of any category of men’s apparels.
6.10.6 Marital Status and Preference

Finally, the study also found no association between marital status of the customers and preference of any category of men’s apparels. Thus, a very surprising aspect has been found in this study that none of the major demographic variables have any significant association with the preference of the customer towards either private labels or national brands in men’s apparel categories.

The recommendations are that the retailers need to move deeper from simple demographic analysis and get into psychographic plus behavioural segmentation studies to identify right target groups for their brands.

6.11 Impact of Demographic Characteristics on Satisfaction towards Private Labels or National Brands

It was considered important to measure the impact of the demographic variables on consumer’s satisfaction from private labels and national brands in men’s apparel category. The data obtained from the responses on satisfaction construct variables was clubbed and averaged to get the mean overall satisfaction rating for private labels as well as national brands for each respondent. This overall satisfaction with any category of men’s apparel was taken as the dependent variable and individually each demographic variable was taken as independent variable and a series of ANOVA tests were conducted to identify the association between independent and dependent variables.

The satisfaction in either private labels or national brands showed no association with age, education, income and marital status. However, as far as gender is concerned, male respondents showed a greater satisfaction towards private labels, which is understandable.

With respect to national brands, it was found that satisfaction with national brands has a significant association with income levels. The main difference is between the satisfaction perceptions of customers having income up to INR 20000 per month and those having income INR 41000 and above per month. The higher income group has expressed more satisfaction with national brands.

Below INR 20,000 per month earning male customers may be the right target group for private label marketers. However this targeting strategy must be consistent with the
overall targeting strategy for the retail store. Some part of some parts of Ha7: “There is a significant difference in satisfaction from private labels and national brands in men’s apparel category due to various demographic variables of consumers” (which may be taken to represent satisfaction behaviour) is accepted.

Summary of Hypothesis Testing

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>Hypothesis</th>
<th>Reason for Excepting and Rejecting the Hypothesis</th>
<th>Any Remarks/ Methods used to test the Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ha1: There is a significant difference between the market share of national brands and private labels in men’s apparel category.</td>
<td>Hypothesis accepted using secondary research.</td>
<td>Private labels sales consist of only 10-12% of organized retail sales (India Retail Report, 2013). “Private labels constitute around 21% of total sales in the Indian apparel sector”. (<a href="http://tejas.iimb.ac.in/articles/98.php">http://tejas.iimb.ac.in/articles/98.php</a>)</td>
</tr>
<tr>
<td>2</td>
<td>Ha2: There is a significant difference between the awareness of national brands and private labels in men’s apparel category.</td>
<td>Hypothesis rejected based on primary research and descriptive analysis</td>
<td>A significantly high number of respondents (85.9%) know what private labels are. (Sec 5.2.6 of this report)</td>
</tr>
<tr>
<td>3</td>
<td>Ha3: There is a significant difference in sources of influence on consumer behavior while choosing between national brands and private labels in men’s apparel category.</td>
<td>Hypothesis is accepted in only 2 cases where influencers which demonstrate a significant difference in their roles – brand itself and product reviews. For rest of the influencers, this hypothesis is rejected.</td>
<td>The data was subjected to the non-parametric Wilcoxon Signed Ranks Test to understand whether different influencers have more significant role in the choice of private labels and national brands.</td>
</tr>
<tr>
<td>4</td>
<td>Ha4: There is a strong association in the preference of retail store and the preference of private labels in men’s apparel category.</td>
<td>Hypothesis accepted showing strong association between store choice and store choice for private labels.</td>
<td>The data was subjected to cross-tabulation test of association</td>
</tr>
<tr>
<td>5</td>
<td>Ha5: There is a significant difference between consumer satisfaction</td>
<td>The results indicate that there is significant difference in reasons for preferring private labels.</td>
<td>The data was subjected to paired sample t-test to identify the major differences in reasons for preferring private labels.</td>
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attached to private labels and national brands. difference between attributes in influencing the preference towards private labels and national brands. either private labels or national brands.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
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<tr>
<td>Ha6:</td>
<td>The customers show significant difference in loyalty towards national brands or private labels in men’s apparel category. Hypotheses accepted. Likely to purchase and likely to recommend the national brands are significantly stronger than private labels while the probability of switching in case of better offer by competitors and likelihood of comparing prices before purchase is significantly stronger for private labels. The given data was subjected to paired samples t-test to reveal the differences between loyalty constructs for private labels and national brands.</td>
</tr>
<tr>
<td>Ha7:</td>
<td>There is a significant difference in satisfaction from private labels and national brands in men’s apparel category due to various demographic variables of consumers. Hypothesis is accepted since out of the 5 variables, there is a significant difference between private labels and national brands in 4 viz. quality, product performance, product attributes and service. In all of them, their role in generating satisfaction is higher in national brands. The data was subjected to paired samples t-test to reveal the differences in the attributes which create satisfaction in private labels and national brands.</td>
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</table>
6.12 Development of a Model for Predicting Preference and Satisfaction Behavior in Private Labels and National Brands

Based on the result and analysis of this study, the following model is proposed. It has been named as Men’s Apparel Choice Discrimination Model (MACDM).

Figure VI-12: Men’s Apparel Choice Discrimination Model

6.13 Limitations and Directions for Further Research

This section highlights the limitations of the present study. It also gives suggestions for the future research. Limitations of this study are related to the scope, scales, the time-period and budgetary constraints.

First of all, the analysis in this study is restricted to only one category - men’s apparel. The positioning of private labels in different product categories against the national brands and its results will provide the researchers as well as the practitioners’ valuable insights into different product categories and geographic market conditions. Any future study may examine the relationships across different product categories to analyze the ‘generalizability’ of the results of this study.
This study only revolves around the NCR region of Delhi. It covers simply men’s apparels category of four leading stores. It covers twelve product preference attributes / variables, eight store image variables and limited satisfaction and loyalty variables to understand the preference of product and stores. There is always a difference in the attitude of people of various regions because of socio-economic and cultural differences. Additional researches would strengthen understanding the relationship between store image and private label attitude.

The limited coverage of apparel stores and private labels within the restricted geographical location also played significant role in limiting the generalisation of the findings. This is also visualised that wider coverage could have further refined the understanding on the relationship between store image and private labels attitude.

Sample size of 500 consumers was good enough for this study. However, sample size should be more to get better, apt and accurate information. The scope of research should go beyond the NCR region of Delhi. It should include some of the tier II and tier III cities as well. The survey was conducted during shopping hours. Many of the respondents were having time constraints. Some of them were not responding freely owing to their preoccupations. This study does not cover all apparel retail chains. The survey is restricted only to department stores and other retail formats selling men’s apparels like, factory outlets, discount stores, hypermarkets and specialty stores have been ignored.

This study can be extended to other product categories like women’s and kid apparel in other cities across India to get a relative picture. Such studies will also help to understand whether there is any impact of the city in private label trial. More dimensions affecting the choice of private label can also be identified and the measurement scale can be further developed as well.

To benefit national brand manufacturers, more research is necessary to understand which promotion types mostly contribute to shoppers’ perception. Related to this, future investigations concerning the impact of different price promotions on short-term and long-term brand loyalty may offer insight to manufacturers.

The study uses mostly a mall intercept sampling procedure that increases external validity since data comes from real consumers in a real setting (right after experiencing shopping).
However, mall intercept studies raise issues of representativeness, due to the lack of randomness. Care was taken to capture as much diversity as possible in the sample.

This study found that the consumers are willing to patronage the private labels provided they are aptly positioned. It was also observed that ‘product differentiation’ is missing among private labels. Retailers should build up emotional attachment to keep loyal customers into its fold.

One limitation of the study at hand is the relative concentration of the younger people in the sample. Although not intentionally conducted, the sample turned out to be rather young with an age average of 20-35 years, however ranging from 20-65 years.

6.14 Some Final Suggestions

The retailers need to introduce innovative and quality Private labels regularly. The stand-alone stores will provide them the needed growth momentum. National brands manufacturers need to change their positioning strategies. They have to reposition as well as differentiate their brands frequently to counter private labels competition. New products varieties, unique value additions and novel sales promotion schemes will always keep them ahead of store brands.

National brands manufacturers have to manage value chain partners with supportive profitable schemes. They should treat their key retailers as their business partners and value their inputs to create a win-win situation for both of them. Truly, they need innovative and focus strategies to remain competitive.

Demands for occasion specific suits are high. Retailers should introduce private label collections for weddings, parties, receptions, etc. The market was found to be very price sensitive and, therefore, the product pricing should be at par with competitors. Collections are to be developed keeping in mind the Indian taste as the purchase seasons are dominated by festivities and occasions perhaps unlike western nations.

This is the time to create a positive image for private brands which will lead to attracting more customers and stronger brand loyalty. Retailers have greater freedom with pricing strategy to create our own marketing plans, so promotions should be private labels centric. Private labels needs to be promoted as alternate to national brands. Retailers should use print/digital/ social media to promote their products. Higher visibility in new
media and proper visual merchandising can increase the awareness of the Private labels considerably. Retailers should put genuine efforts to reduce consumer perceived risk which is usually associated with private labels. They should adopt consistent positioning of private labels quality. They also need to ensure that consumers remain satisfied with private label quality.

As the Apparel industry will grow, it is very crucial for the retail stores to clearly understand the consumer buying behaviour effectively to grasp the opportunity being offered by private labels.

6.16 Summarizing

This thesis offers interesting insights to understand the consumers’ behaviour towards private labels and national brands in men’s apparel category. The findings of the study can be useful in introduce stronger private labels and in improving their popularity and preference among customers.

In this competitive era we must know consumers’ needs and wants to deliver value to them. It is required to have relevant information or a consumer data base to keep track of the changing trends. It helps to formulate sustainable strategies to get competitive edge in the market.

Private label products are becoming popular around the world. They have drawn attention of practitioners and academics alike. Private labels are also becoming successful in India. Private labels are regarded as a useful tactic to improve bottom lines and store image. Stores’ positive image boosts customer patronage, loyalty and profitability. The apparel retail market consists of Men’s wear, Women’s wear, Infant wear, Unisex, Uniform. The men’s wear segment has highest market share. Private labels growth does not mean that we should write an obituary for national Brands. National brands are still alive, healthy and dominant.

The present day shoppers are more segmented by demographics, lifestyle, attitudes and cultures. India has become alternative market to China and several other countries. The leading multinational apparel brands are fully taking advantages of this opportunity.
This study has used Howard-Sheth Model along with AIDA Model as theoretical base to understand consumer buying behaviour. The study is specific only to National Brand and Private Label men’s apparel category in the NCR.

Private labels account to about 21 percent of total sales in the Indian apparel sector as per the secondary research. The primary research also reinforced these findings. The share of consumer spending on is significantly higher than private labels.

More than 65% of the respondents in NCR told that they bought above 50% of national brands in total purchase of men’s apparels. National brands command a larger loyal customer base. However, one thing is clear that the present trend is favouring the growth of private labels. As per the study close to 85% of respondents were aware about private labels.

Around 67% of the respondents buy men’s apparel when there are discounts and offers. This demonstrates the value-maximizing nature of customers in India while another 31.9% respondents named festivals as the preferred occasions.

Significantly larger number of respondents preferred either formal as the main category or casual men’s apparel as the next preferred category. Low preference for sports and hardly any preference for ethnic wear in this segment were identified. The formal and casual, together, seem to reveal the maximum opportunity for selling men’s apparels.

Friends / relatives came out to be the biggest source of information about men’s apparel (47.2%) followed by internet (45.2%). Newspapers had 37.7% response and television had 21.2%. Magazines had 14.1% response.

Shoppers’ Stop with 46.4% responses came out to be the no. 1 choice of customers for men’s apparels followed by Lifestyle with 37.5%. Pantaloons had 34.3% responses and Westside had 21.2%. This demonstrates the relative positions of the four major competitor chains in this category.
The respondents gave their views on attributes that impact their choice of apparel selling store. The attributes, which came out to be significantly high on importance for store image are convenient location, latest selection, high quality of products, value for money and good customer service.

It may be concluded that the customers in Delhi – NCR are more concerned about aspects which benefit them directly like price, service, variety etc. They are not motivated by attractive displays so much because they are only aesthetic appeals. It was found that Shoppers’ Stop with 39.7% and Pantaloons with 35.3% responses came out to be the top 2 store choices whose private labels are preferred by the customers. Lifestyle had 30.4% and Westside had 20.8% preference share.

There was a significantly larger preference for national brands, which was expressed by the respondents. Through cross-tabulations, it was established that there is significant association between knowledge and preference of private labels. It can be safely concluded from the study that brand itself followed by family and friends were the major influencers in the choice of private labels.

The study succeeded in identifying six attributes, which came out to be very high in importance for inducing preference for private labels – quality, price, variety, brand image, service and durability. Two other attributes also had a secondary importance viz. Store image and distinctiveness. Four attributes, which were significantly less important, according to this study are – packaging, convenience, promotion and social recognition.

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The study concluded that there is significant difference in seven attributes in influencing the preference towards private labels and national brands viz. quality,
price, packaging, brand image, durability, social recognition and distinctiveness. Out of these seven, only one attribute - price is coming out to be significantly more important for preference of private labels while rest six attributes are coming out to be significantly more important for national brands. Variety and service are equally ‘very important’ in both the categories, store image is equally ‘important’ while convenience and promotion are equally ‘not important’ for both the categories.

With the use of Factor Analysis and Discriminant Analysis techniques, a predictive model was established. Based on Howard-Sheth model, the study moved from search and preference (elements of perceptual construct) to intention and satisfaction (elements of learning construct).

The study identified that the respondents are highly satisfied with quality, value for money, product performance and product attributes for national brands but they are significantly less satisfied with service. The service dimension is an important opportunity for the private labels to exploit. Out of the five attributes mentioned there is a significant difference between private labels and national brands in four viz. quality, product performance, product attributes and service. In all of them, their role in satisfaction generation is higher in national brands. There is no difference in value for money attribute and it is equally important for generating satisfaction in both private labels and national brands.

There is an image problem with the private labels and the retailers need to improve the product quality as well as communicate the same to the market. Quite clearly, private labels are generating repurchases only on the basis of prices and the retailers need to do a lot more to build up any kind of loyalty in private labels.

The loyalty for national brands rests on stronger grounds while private labels are being purchased only for their low price attractions and are more prone to deal based switching behaviour.

The study concluded that there is no association between any demographic variable like gender, age, education, occupation and income level of the customer and preference of either category of men’s apparels. Thus, a very surprising aspect has
been found in this study that none of the major demographic variables have any significant association with the preference of the customer towards either private labels or national brands in men’s apparel categories.

However income levels came out to have some association with satisfaction derived from national brands. Lower income group customers are much less satisfied with national brands as compared to higher income level customers.

This study has limitations with regard to scope, scales, budget and the time-period. Our analysis is restricted to only men’s apparel category. Further researches are required to examine the relationships across various product categories to analyze the present results.

The key observation is that value-conscious consumers are not much loyal to national brands. They are inclined to switch loyalty or start buying private labels. They look for value for money products and satisfaction. Private labels satisfy their needs.

Retailers may employ promotions to appeal consumers. They should be provided feel good factor quality - price association to attract them. Continuous promotions may harm the brand in the long run. Retailers may gain sales for their private label brands by continuously striving to improve customer perceptions of quality. The negative perceptions of private label quality are a major roadblock to increase the sales volume. Efforts to improve quality perceptions of private labels might be accomplished by upgrading the tangible quality of the product like improving the packaging, regularly introducing innovative products and educating consumers about the how quality has been built into the product.

Gradually the perceived quality gap between national brands and private labels is shrinking. National brands are still enjoying premium price due its innovative products and powerful brand equity. Furthermore, it can be summed up that non quality variables like location, convenience, design, fitting and service also influence consumers’ decision making.
Retailers need to study customer needs, desires, preferential attributes and their quality perceptions regularly to achieve significant success. During this study it was observed that consumers’ perceptions towards private labels are taking more time to change. The national brands are still believed to be superior to private labels. The growth of private labels is very important to retailers. It is major part of their strategy with regard to competition, supply chain management, category management, sourcing, STP, profitability and growth. It has been found that retailers are not leaving any stone unturned to develop satisfactory and sought-after private labels.

One of the main purposes of this study was to analyze consumer perceptions of store image and their attitudes towards private labels. The study try to understand how consumers’ associate store image with private labels preference. Customer attitudes to private labels/ stores brands are positively associated with the reputation of store. Brand loyalty is diminishing. They are being affected by private labels success. Retailers are committed to provide quality product. Quality assurances are generating greater trust among customers regarding a particular research which consequently leads to stronger store loyalty. Store loyalty indeed influences consumers’ large share of wallet. Thus retailers should devote considerable time to design their loyalty programmes. Considering Delhi/ NCR demographics and their preference towards departmental stores, Shoppers’ Stop has competitive advantage over other stores for men’s apparels.

The study found that store reputation and consumer price perception are leading factors which influence their attitude towards private labels. Retailer’s name was found to be positively linked with private labels success. It is advisable to retailers to establish a respectable name to win customers confidence. They may attach their names with private labels for better visibility and acceptability.

The findings of this study provide key insights to the sellers of private labels. They will be able formulate marketing strategies to have strong foothold and to compete effectively in Indian market. Marketers need to understand consumers’ intentions clearly. Loyalty towards brands keeps on shifting. Retailers try to understand consumers’ purchasing patterns, situation in which they purchase, expectation they have towards the product and the level of their satisfactions.
High profile experienced consumers are expected to opt for national brands because they are familiar with them. Young consumers experiment with new brands. Therefore, retailers should devise strategy to improve brand familiarity and acceptance by effective in-store as well as outdoor marketing communication to encourage brand switching.